

RECORDATION NO. 21373 FILED Primary

MAY 6 '98

11-50AM

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May 6, 1998

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are three (3) copies of a Loan and Security Agreement, dated as of April 29, 1998, a primary document as defined in the Board's Rules for the Recordation of Documents and three (3) copies of a Supplemental Security Agreement No. One, also dated as of April 29, 1998, a secondary document related thereto.

The names and addresses of the parties to the enclosed documents are:

Borrower: Pioneer Railroad Equipment Co., Ltd.  
1318 Johanson Road  
Peoria, Illinois 61607

Lender: MetLife Capital Corporation  
10900 N.E. 4<sup>th</sup> Street, Suite 500  
Bellevue, Washington 98004

A description of the railroad equipment covered by the enclosed documents is set forth on Exhibit A to the Supplemental Security Agreement.

Mr. Vernon A. Williams  
May 6, 1998  
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Also enclosed is a check in the amount of \$52.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed documents to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'R. Alvord', with a stylized flourish at the end.

Robert W. Alvord

RWA/bg  
Enclosures

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**SUPPLEMENTAL SECURITY AGREEMENT NO. ONE  
LOAN #982-001**

This Supplemental Security Agreement is executed by **Pioneer Railroad Equipment Co., Ltd.** ("Borrower") pursuant to the terms of a Loan and Security Agreement dated APRIL 29, 1998 between Borrower and MetLife Capital Corporation ("Lender"). All capitalized terms used herein that are not otherwise defined herein shall have the respective meanings given to such terms in the Loan and Security Agreement.

In order to provide security for the payment and performance of Borrower's obligations under the Loan Documents, Borrower has granted to Lender a first priority security interest in the Collateral. In addition to said grant, Borrower intends by this Supplemental Security Agreement to grant to Lender a first priority security interest in the items of Equipment identified herein.

1. To further secure the payment and performance of all of Borrower's obligations to Lender under the Loan Documents, Borrower hereby grants to Lender a first priority security interest in the items of Collateral described below, including all present and future additions, attachments and accessories thereto, all substitutions therefor and replacements thereof and all proceeds thereof, including all proceeds of insurance:

Qty.	Model/Mfr.	Description	Serial No.	Cost or Appraised Value
		See the attached Exhibit "A" herein incorporated by this reference		\$1,924,311.93

2. Borrower hereby (a) affirms that the representations and warranties set forth in Section 5 of the Loan and Security Agreement are true and correct as of the date hereof; (b) represents and warrants that Lender has a first priority security interest in the Collateral; and (c) represents and warrants that the above described equipment will be maintained at the following location(s):

**This Equipment will not be domiciled at any specific location and is continuously rolling.**

3. The Loan Amount for loans to be made pursuant to this Supplemental Security Agreement is **\$1,924,311.93**

4. The Commitment Expiration Date for loans to be made pursuant to this Supplemental Security Agreement is **5/8/98**.

5. The amount of liability insurance required to be maintained by Borrower pursuant to Section 6(d) of the Loan and Security Agreement is **\$7,000,000.00**.

6. All of the terms and provisions of the Loan and Security Agreement are hereby incorporated in and made a part of this Supplemental Security Agreement to the same extent as if fully set forth herein.

In witness whereof, Borrower has executed and delivered this Supplemental Security Agreement this 21 day of APRIL, 1998.

Borrower: Pioneer Railroad Equipment Co., Ltd.  
By: [Signature]  
(Print Name): J. Michael Carr  
Title: CFO - Treasurer

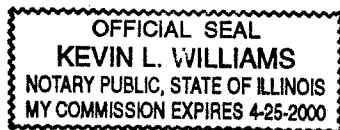
**ACKNOWLEDGEMENT**

State of ILLINOIS  
County of PEORIA

On this 30th day of APRIL, 1998, before me, a Notary Public, personally appeared J. MICHAEL CARR and [Signature] respectively of **Pioneer Railroad Equipment Co., Ltd.** who executed the foregoing instrument and acknowledged that said instrument was the free and voluntary act, for the use and purposes therein mentioned.

[Signature]  
NOTARY PUBLIC  
My commission expires: 4-25-2000

[NOTARIAL SEAL]



**Exhibit "A"**

This Exhibit "A" is hereby attached to that certain Supplemental Security Agreement No. One between MetLife Capital Corporation as Lender and Pioneer Railroad Equipment Co., Ltd. as Borrower

Qty	Equipment Description	Car Number
14	GMC EMD Model #GP16 Diesel Electric Locomotives as follows:	
	PREX 1600, PREX, 1601, PREX 1602, PREX, 1603, PREX 1604, PREX 1605, PREX 1606, PREX 1607, PREX 1608, PREX 1609, PREX 1610, PREX 1611, PREX 1612, PREX 1614	
1	50 foot70 ton Boxcar built by Pickens Railroad in 1978	ALAB401175
1	50 foot70 ton Boxcar built by Pickens Railroad in 1978	ALAB401183
1	50 foot70 ton Boxcar built by Pickens Railroad in 1978	ALAB401196
1	50 foot70 ton Boxcar built by Pickens Railroad in 1978	ALAB401170
1	50 foot70 ton Boxcar built by Pickens Railroad in 1978	ALAB401176
1	50 foot70 ton Boxcar built by Pickens Railroad in 1978	ALAB401184
1	50 foot70 ton Boxcar built by Pickens Railroad in 1978	ALAB401199
1	50 foot70 ton Boxcar built by Pickens Railroad in 1978	ALAB401171
1	50 foot70 ton Boxcar built by Pickens Railroad in 1978	ALAB401177
1	50 foot70 ton Boxcar built by Pickens Railroad in 1978	ALAB401187
1	50 foot70 ton Boxcar built by Pickens Railroad in 1978	ALAB401173
1	50 foot70 ton Boxcar built by Pickens Railroad in 1978	ALAB401179
1	50 foot70 ton Boxcar built by Pickens Railroad in 1978	ALAB401190
1	50 foot70 ton Boxcar built by Pickens Railroad in 1978	ALAB401174
1	50 foot70 ton Boxcar built by Pickens Railroad in 1978	ALAB401180
1	50 foot70 ton Boxcar built by Pickens Railroad in 1978	ALAB401191
1	50 foot70 ton Boxcar built by Pickens Railroad in 1978	ALAB553306
1	50 foot70 ton Boxcar built by Pickens Railroad in 1978	ALAB553315
1	50 foot70 ton Boxcar built by Pickens Railroad in 1978	ALAB553299
1	50 foot70 ton Boxcar built by Pickens Railroad in 1978	ALAB553309
1	50 foot70 ton Boxcar built by Pickens Railroad in 1978	ALAB553316
1	50 foot70 ton Boxcar built by Pickens Railroad in 1978	ALAB553301
1	50 foot70 ton Boxcar built by Pickens Railroad in 1978	ALAB553311
1	50 foot70 ton Boxcar built by Pickens Railroad in 1978	ALAB553302
1	50 foot70 ton Boxcar built by Pickens Railroad in 1978	ALAB553313
1	50 foot70 ton Boxcar built by Pickens Railroad in 1978	ALAB553303
1	50 foot70 ton Boxcar built by Pickens Railroad in 1978	ALAB553314
1	5250 CU. FT. Covered Hopper Cars	ALAB635
1	5250 CU. FT. Covered Hopper Cars	ALAB630
1	5250 CU. FT. Covered Hopper Cars	ALAB631
1	5250 CU. FT. Covered Hopper Cars	ALAB632
1	5250 CU. FT. Covered Hopper Cars	ALAB636
1	5250 CU. FT. Covered Hopper Cars	ALAB634
1	Blkhd Gondola Rail	ALAB47035
1	Blkhd Gondola Rail	ALAB47102
1	Blkhd Gondola Rail	ALAB47124
1	Blkhd Gondola Rail	ALAB47094
1	Blkhd Gondola Rail	ALAB47064
1	Blkhd Gondola Rail	ALAB47027
1	Blkhd Gondola Rail	ALAB47071

**Exhibit "A"**

This Exhibit "A" is hereby attached to that certain Supplemental Security Agreement No. One between  
MetLife Capital Corporation as Lender and Pioneer Railroad Equipment Co., Ltd. as Borrower

<b>Qty</b>	<b>Equipment Description</b>	<b>Car Number</b>
1	Blkhd Gondola Rail	ALAB47108
1	Blkhd Gondola Rail	ALAB47034
1	Blkhd Gondola Rail	ALAB47044
1	Blkhd Gondola Rail	ALAB47017
1	Blkhd Gondola Rail	ALAB47029
1	Blkhd Gondola Rail	ALAB47089
1	Blkhd Gondola Rail	ALAB47073
1	Blkhd Gondola Rail	ALAB47003
1	Blkhd Gondola Rail	ALAB47056
1	Blkhd Gondola Rail	ALAB47011
1	Blkhd Gondola Rail	ALAB47112
1	Blkhd Gondola Rail	ALAB47090
1	Blkhd Gondola Rail	ALAB47066
1	Blkhd Gondola Rail	ALAB47050
1	Blkhd Gondola Rail	ALAB47039
1	Blkhd Gondola Rail	ALAB47001
1	Blkhd Gondola Rail	ALAB47072
1	Blkhd Gondola Rail	ALAB47122
1	Blkhd Gondola Rail	ALAB47059
1	Blkhd Gondola Rail	ALAB47016
1	Blkhd Gondola Rail	ALAB47030
1	Blkhd Gondola Rail	ALAB47069
1	Blkhd Gondola Rail	ALAB47009
1	Blkhd Gondola Rail	ALAB47082
1	Blkhd Gondola Rail	ALAB47061
1	Blkhd Gondola Rail	ALAB47067
1	Blkhd Gondola Rail	ALAB47079
1	Blkhd Gondola Rail	ALAB47025
1	Blkhd Gondola Rail	ALAB47076
1	Blkhd Gondola Rail	ALAB47118
1	Blkhd Gondola Rail	ALAB47043
1	Blkhd Gondola Rail	ALAB47060
1	Blkhd Gondola Rail	ALAB47053
1	Blkhd Gondola Rail	ALAB47084
1	Blkhd Gondola Rail	ALAB47125
1	Blkhd Gondola Rail	ALAB47077
1	Blkhd Gondola Rail	ALAB47070
1	Blkhd Gondola Rail	ALAB47041
1	Blkhd Gondola Rail	ALAB47092